

Green Lodging News

January 2009

New Energy Legislation

New energy legislation has been enacted in Michigan and was signed by Governor Granholm on October 6, 2008. SB 213 includes a renewable portfolio standard, utility energy optimization plans, state government energy efficiency, wind energy resource zones, and net metering. The renewable portfolio standard will be 10% by 2015. That means electric providers will need at least 10% renewable energy sources in their electric mix by 2015.

Utility energy optimization plans will have the biggest impact on the lodging industry. Utilities will be developing plans and programs to help their customers become more energy efficient. When these programs existed in the 1990's utilities provided technical assistance and incentives for a variety of energy efficiency measures. Lighting efficiency upgrades to commercial buildings were very popular then.

Utilities will be submitting their energy optimization plans to the Michigan Public Service Commission in the spring of 2009. Once plans are approved, it will probably take some time for the utilities to roll out their programs. To get ready for utility energy efficiency programs, building owners should identify and evaluate potential efficiency opportunities. Green Lodging Michigan participants can obtain a free energy audit to help identify opportunities. If interested, contact Roger Doherty at dohertyr1@michigan.gov or 517-241-6224.

Net metering may interest those businesses who are looking into solar or wind energy systems. Net metering allows the owner of a renewable energy system to give electricity back to the grid when the owner has excess electricity and obtain bill credits for the excess. Voluntary net metering programs have existed for renewable energy systems 30 kW and under, but the new legislation requires utilities to offer "true net metering" for systems 20 kW and under and "modified net metering" for systems 150 kW and under. True net metering provides bill credits at the retail rate, while modified net metering has bill credits at the "generation rate" which is less than the retail rate. There are many details to net metering that one needs to understand before deciding whether this makes sense. Details can be found at www.michigan.gov/netmetering.

Federal energy tax credits have been extended as part of the financial rescue legislation that was recently passed by Congress. The new law contains an 8-year extension (to 2016) of the tax credits for investment in commercial solar projects and a 5-year extension (to 2013) of the tax deduction for energy-efficient commercial buildings. The solar tax credit is 30% of expenditures with no ceiling. Eligible technologies are photovoltaic, solar thermal, and hybrid solar lighting systems. The commercial building tax deduction is \$1.80 per square foot if the building's annual energy costs are 50% less than the ASHRAE 9.1-2001 standard.

Partial deductions up to \$.60 per sq. ft. are available for 1) lighting, 2) heating, cooling, ventilation, and hot water, and 3) building envelope. More information is available at www.dsireusa.org.

On a separate note, as of December 29, 2009 our Department has changed from the Department of Labor & Economic Growth (DLEG) to the Department of Energy, Labor & Economic Growth (DELEG).

Governor Granholm signed Executive Order 2008-20 creating DELEG to align all activities related to renewable energy and energy efficiency in one department in an effort to grow the energy sector and create jobs in Michigan. This change will have no significant effect on the Green Lodging Michigan Program.

I hope everyone has a happy, healthy, and prosperous 2009.



Green Lodging News is a publication targeted toward Michigan's hospitality facilities. It is a service of the Energy Office, Michigan Dept. of Energy, Labor & Economic Growth. If you are interested in subscribing to the newsletter, please contact Roger Doherty at dohertyr1@michigan.gov.